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Bank of Japan 197.3 (having 65.5 millions in gold reserve), or a total circulation (less reserves) of 285.6.

J. LAURENCE LAUGHLIN.

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*Le Credit Commercial et la Banque Nationale de Belgique.* Par GUILLAUME DE GREEF. Bruxelles: O. Mayolez et J. Audiarte, 1899. 8vo. pp. x+469.

THOSE who have the courage to read M. de Greef's big book, consecutively and fully, will perhaps find themselves at a loss to understand just why it has appeared in its present form. The volume may roughly be divided into four parts, each apparently animated by a different purpose. In the first portion of his work the author seeks to give an account of the functions of credit; in the second appears a general view of systems of banking as now carried on by the principal commercial nations of the world, *e. g.*, England, Germany, the United States, etc. The third part is occupied with a historical account of the Bank of Belgium; the fourth criticises the organization of the institution and its recharter. Little connection between the various portions of the the plans for work can be traced; in short, the book appears to be the result of a process of accretion and not a product of deliberate construction.

According to the preface, the first part, dealing with the analysis of the processes of credit was the basis upon which the book was originally projected. "Cet ouvrage," writes the author, "est specialement consacré à l'étude de la structure et du fonctionnement de la circulation et du credit en matière commerciale;" yet the section dealing with commercial credit covers but a bare seventy-one pages out of a total of 479. Perhaps this brevity should not be regretted, for the author's discussion of credit is as weak as any portion of his work. Not that this discussion startles by its novelty—such is far from being the case. "In its simplest form," says M. de Greef, "*credit* is a *loan* of goods or money." Three "functions" of credit are recognized, (1) to effect a transfer of the means of production, (2) "to create social means of production by augmenting those which naturally exist," and (3) "to economize the use of money." Here appears at once the old and too familiar confusion between credit, credit instruments, and credit institutions. Nor is this the worst. Speaking of the second function ascribed by him to credit, M. de Greef writes:

The following example will give a striking demonstration of this new and important function : A, a large grain importer, sells on the market goods to the value of 100,000 francs to B, and the latter gives him a bill for this amount at three months. Then, under similar conditions, B sells the goods to C for 105,000 francs, C to D for 110,000, D to E for 115,000, and so on, the increase becoming more and more marked, on the same day. A, B, C, D, etc., having received bills signed by their respective debtors may, on the same day, discount these notes with their bankers, and will receive, the first 100,000, the second 105,000, the third 110,000, the fourth 115,000 francs *in coin*, in all 430,000 francs, and that too for a single bill of goods or capital, whose greatest exchange value is, in this example, 115,000 francs. For three months they will have at their disposal a *capital of about four times the value of the goods transferred*. Consequently credit increases and, in this sense, creates means of production or capital.

At this rate it is not easy to see why the commercial world should ever want for either coin or capital.

The consideration of different kinds of credit instruments leads next to a discussion of the origin and history of the bank note, in which it is shown that coin is rapidly being eliminated as a medium of exchange, while the world's volume of bank notes is greater than the stock of coin in bank vaults. On the other hand, the note is now being displaced by the deposit account (or, as the author puts it, the check). Could anyone have doubted these statements? This discussion is followed by a survey of the world's clearing-house system, from which M. de Greef passes to the review of current banking, with which the second main part of his work is taken up.

In treating the present organization and working of the Scotch, American, German, and other banks little or no new material is added to that already easily available. There is given merely the usual array of familiar facts and figures. Nor, having said thus much, can the candid critic stop. It must be admitted that in many statements M. de Greef is absolutely incorrect, and that in many more he expresses himself in so misleading a way as to give at least a strong impression of inexactness. Thus in speaking (p. 120) of the national banks of the United States he writes : "By way of tax each bank pays an assessment of one half of 1 per cent. every six months upon the average amount of its notes in circulation ; if this circulation be reduced to 5 per cent. of the capital the tax ceases to be payable. All persons or corporations other than national banks, and consequently all state banks, are subject to a tax of 10 per cent. upon notes in circulation, etc." Again (p.

119): "Besides these national banks there are also a certain number of state banks controlled by the special legislation of the state where they are established; naturally their *circulation* and their general importance are much less considerable." By the side of this singular statement should be placed one culled from p. 122, which refers to the state banks as institutions "which have *generally* given up the right to issue bank notes, because of the disadvantageous fiscal conditions under which they labor." The character of the passages just cited is sufficient to indicate the nature of the criticism to which this part of M. de Greef's book must be subject. Similar flaws, apparently due to inaccurate information, are found throughout the treatment of the English and continental banking systems.

In the third and fourth of the general divisions, which treat of the National Bank of Belgium and its recharter, a much more considerable degree of familiarity with the subject is displayed. It is just in these portions, however, that scientific calmness is thrown to the winds and vituperative partisanship usurps its place. The book, in fact, degenerates into a thorough jeremiad. "We do not in the least deceive ourselves regarding the fate reserved for this book by the public powers. Four years before the expiration of the charter granted to the so-called 'National' Bank the government means to make use of the formidable and servile majority which it controls in our Chambers in order to prolong the existing régime," remarks M. de Greef in the preface of his work. This political situation makes an analysis of the present banking system entirely timely, and the author endeavors to point out a number of serious defects in the bank's mode of operation, which he thinks should be corrected in the proposed new charter. Most of the sources of the dissatisfaction which may be justly felt, according to M. de Greef, are found to be attributable to the institution's conservatism. Thus the number of branches and banking offices has always been insufficient, rates of interest have been high and inflexible, the length and conditions of loans unsatisfactory, etc. It is sought to substantiate these indictments by sufficient statistics, some apparently accurate and well-executed diagrams, and a not always convincing line of argument. The seat of existing difficulties M. de Greef finds in the oligarchical plan upon which the Bank of Belgium is at present organized and which promises to be perpetuated. Under this form of organization the affairs of the institution are controlled by a comparatively small minority of the stockholders and, the bank having an almost exclusive monopoly, there is little possibility of progress.

Of the essential justice of some of M. de Greef's antagonism to the methods of the Bank of Belgium there can be little doubt. Much more hesitation must be felt when the reader learns that a great deal of his hostility rests upon the broader ground of dissatisfaction with present methods of banking throughout the world. It is, in fact, when his theoretical solution of the general banking and credit problem is broached, that the conservative student is likely to feel the greatest shrinking. This solution appears to be very similar to what is known in the United States as the plan for "mutual banking," a system for doing away with the use of money and for guaranteeing the immediate availability of all property, which its owners desire so to use, as a medium of exchange. M. de Greef, in fact, sums up his notions very concisely in a single passage :

The organization of the collective force, credit-currency, socialization of capital, in other words the emancipation of labor, disuse of coin, collective credit, such is the conclusion of this work ; this conclusion itself is but the weak and imperfect echo of the fearful clamor, ever increasing in violence, which issues from throats of laborious humanity, preoccupied always with the pursuit of its progressive ideal of well-being and justice.

Of the value of the vague and unpractical notions which have been attributed to M. de Greef, whose ideas are fairly represented by the foregoing passage, nothing needs be said. They have recently become especially familiar to students of the monetary question, so far at least as they relate to that question. M. de Greef's book possesses small permanent value. From the weak-kneed and incorrect theory of credit with which the treatise opens to the biased criticism with which it closes, colored as it is throughout with vague and illusive theories looking toward a commercial millenium, there can be found within M. de Greef's pages but a scant amount of information for the student of monetary history, and no suggestions useful to the theorist in search of an analysis of credit phenomena.

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H. PARKER WILLIS.

*A Dividend to Labor. A Study of Employer's Welfare Institutions.*

By NICHOLAS PAINE GILMAN. Boston: Houghton, Mifflin & Co., 1899. Crown 8vo. pp. viii + 400.

A SINCERE desire to promote good feeling between workmen and employers, and a strong conviction that such a feeling is growing, give to this book an essential unity. But for these traits it would be a